DOCUMENT RESUME

ED 085 587 CE 000 784

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TITLE	Business and the Hard-To-Employ: A Study of a Metropolitan Office of the National Alliance of Businessmen.
INSTITUTION	California Univ., Los Angeles. Manpower Research Center.
PUB DATE	Nov 72
NOTE	46p.
AVAILABLE FROM	Institute of Industrial Relations, University of California, Los Angeles, Calif. 90024 (HC $2.00)
EDRS PRICE	MF-$0.65 HC-$3.29
DESCRIPTORS	Business; *Disadvantaged Groups; *Employer Attitudes; *Employer Employee Relationship; Employment Opportunities; Employment Practices; *Employment Problems; *Employment Programs; Job Training; Laborers; Program Design; Work Environment
IDENTIFIERS	Job Opportunities in the Business Sector; *National Alliance of Businessmen

ABSTRACT

Business and government produced a partnership early in 1968. The government devised a contracting procedure to subsidize the extra costs encountered by private sector employers who would provide jobs and training to persons known to be hard-to-employ. The process was labled Job Opportunities in the Business Sector (JOBS). Simultaneously, some members of the business sector announced formation of their channel for active involvement in the process of providing employment for excluded persons; the National Alliance of Businessmen (NAB) was established for the purpose of selling the JOBS program to other businessmen across the United States. The author was a participant researcher in a Los Angeles NAB metro office. The product of his experience is a study which does not support the view that NAB is changing business attitudes in ways that will produce a growing response from employers in the alleviation of problems of the disadvantaged. This document is a summary of that study which defined the content and operation of programs and their effectiveness of a metropolitan office of the National Allegiance of Businessmen toward achieving the local NAB objective. (Statistical tables are included.) (KP)

ED 085587

CE 000 784

MANPOWER RESEARCH CENTER

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BUSINESS AND THE HARD-TO-EMPLOY:

A Study of a Metropolitan Office of the National Alliance of Businessmen

by
Philip H. Mounts

This report summarizes a much larger evaluative study of the objectives and programs of a Metropolitan Office of the National Alliance of Businessmen. The study was submitted as a doctoral dissertation at UCLA by Professor Mounts who is presently Assistant Professor of Management at the University of Wisconsin, Oshkosh.

November 1972

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No longer is there a national debate on the question, "Does the private-sector employer have a responsibility to assist in mending the social fabric?" When the question is presented in context with their economic obligations, business policy makers will freely agree that they share the burden of producing a response to poverty, prejudice, alienation: many of the elements which define the spectrum of disturbing, and sometimes destructive, behavioral changes are manifest in this era. They will also tend to agree that the most appropriate response they can make is through the jobs in their custody; these instrumental means for individuals to seek terrestrial salvation.

The businessman has also come to the point where he is ready to share with the public sector the burdens of adjusting to these new obligations. The Research and Policy Committee of the Committee for Economic Development (CED)[1/] issued a statement in 1971, titled Social Responsibilities of Business Corporations. In the foreword to this report, the co-chairman of the Research and Policy Committee, Mr. Emilio G. Collado, quotes from remarks he first made in 1967:

> . . . that business should do much more to meet social needs, that we were not quite sure how to carry out this new committment to social problem solving, and that to get results business and government would have to develop an effective partnership. 2/

Business and government produced a partnership in early 1968. The government devised a contracting procedure to subsidize the extra costs encountered by private-sector employers who would provide jobs and training to persons known to be hard-to-employ. The process was labeled Job Opportunities in the Business Sector (JOBS).

Simultaneously, some members of the business sector announced formation of their channel for active involvement in the process of providing employment for excluded persons; the National Alliance of Businessmen (NAB) was established for the purpose of selling the JOBS program to other businessmen across the United States.

In the first four and one-half years of its existence, this business-government partnership developed a uniform national structure with standard patterns of operation that are carried on in three groupings: First the NAB, with a national headquarters in Washington and 160 offices in major cities, is known to the public through business executives who are "loaned" to NAB by their employers for periods of a few weeks to a year; three months is the typical period of service. These men work for NAB to influence other businessmen to become involved with the JOBS program. Two means are used to produce such involvement: the "good faith" pledge to hire "disadvantaged" employees, and the subsidy contract.

This subsidy contract is the key instrument of the second sector of the partnership which is based in the Manpower Administration (MA) of the Department of Labor. Through its regional offices, the MA conducts negotiations with employers who have developed an interest in JOBS; it then administers the contracts that develop.

Finally, men placed in NAB by the various state employment service (SES) offices become key individuals with the local metro in their area. Usually the SES assigns several representatives to coordinate the responsibility of those district manpower specialists in the SES who are working to fill job orders for "disadvantaged" persons. The period of NAB service of these SES representatives often spans that of several groups of loaned businessmen. Thus, the former tend to become imbedded in the local NAB structure.

NAB-JOBS is a three-way partnership, two of the partners being government--federal and local--and the third, business. But is it an effective partnership? Is NAB-JOBS really moving businessmen to hire a substantial percentage of people that they would not have employed before? Some criteria are suggested to enable a response to these questions.

An understanding of the effectiveness of the partnership can be obtained by comparing (1) the spending programs requested by federal planners each year for NAB-JOBS, (2) the value of the contracts actually placed by the MA with employers, and (3) the value of the on-the-job training services provided, indicated by funds expended in those years. Table 1 shows the record available.

Table 1

Total Funds Programmed, Obligated and Extended for the JOBS Program. (Through June 30, 1970)

Fiscal	(A) Programmed	B/A	(B) Obligated	C/B	(C) Expended
	Millions	Percent	Millions	Percent	Millions
1968	$114.2	74.3	$ 84.9	70.8	$ 60.0
1969	209.9	60.3	126.6	39.1	49.4
1970	175.0	96.6	168.9	12.8	21.7
Total	$499.1	76.1	$380.4	34.6	$131.7

Source: Comptroller General of the United States. Report to the Congress: Evaluation of Results and Administration of the Job Opportunities in the Business Sector (JOBS) Program in Five Cities. Washington, D.C.: United States General Accounting Office, March 24, 1971, p. 7.

The Comptroller General's Report, commenting on the record shown in Table 1, indicates that the

> ...Budget estimates submitted to the Congress by OEO and the Department of Labor in support of requests for fiscal year 1970 funds for the JOBS program totaled $420 million. After various reductions by the Congress and administrative adjustments by the Office of Management and Budget, the Department of Labor and OEO, appropriations totaling $280 million were made available for fiscal year 1970.
>
> In April, 1970, the Department of Labor transferred $105 million to other manpower programs and activities. This transfer left a total of $175 million available for the JOBS program.

As of June 30, 1970, Department records showed that $168.9 million or about 97 percent of the available funds for fiscal year 1970 had been obligated. This amount represented about 40 percent of the program funds originally requested. Of the amounts obligated only $21.7 had been expended at the end of the year. 3/

The capacity of private-sector employers in this country to respond to a significant proportion of the economic need of poor people appears rather meager when the gaps between plans and achievements for the three years is viewed. The nation set out to spend nearly $500 million with private business to provide the least employable with an extra boost. There are now growing doubts regarding the effectiveness of this manpower channel; even with reasonable intentions, only $131.7 was translated into services provided and paid for. But will the doubt be stilled, to some degree, by the long-term impact of the businessman's involvement in the NAB program? (1) Is there growth of a new understanding of the problem of poverty brought about by the personal involvement of influential individuals in business; and, (2) is the experience of voluntary participation in JOBS programs leading individual firms on to more significant participation in JOBS contracts. Response to these questions involves study at the micro level of the NAB-JOBS structure--the local metro office of NAB.

Background of NAB-JOBS

On January 23, 1968, President Lyndon B. Johnson introduced a new plan into the manpower programs of the nation. It consisted of two parts: a federally funded training-in-industry plan named Job Opportunities in the Business Sector (JOBS), and an organization formed to market the concepts of JOBS to private employers. This organization was built on a periodically changing staff of volunteered business executives and was labeled The National Alliance of Businessmen (NAB).

In his special manpower message to the Congress with which NAB-JOBS was announced, the President said:

> Our past efforts, vital as they are, have not yet effectively reached the hard-core unemployed. . . .
>
> In our thriving economy, where jobs in a rapidly growing private sector are widely available and the unemployment rate is low, the "make-work" programs of the 1930's are not the answer to today's problems.
>
> The answer, I believe, is to train the hard-core unemployed for work in private industry:
>
> -The jobs are there: 6 out of every 7 working Americans are employed in the private sector.
> -Government-supported on-the-job training is the most effective gateway to meaningful employment: 9 out of every 10 of those who have received such training have gone on to good jobs.
> -Industry knows how to train people for the jobs on which its profits depend. 4/

So, with this conviction he launched the JOBS program as ". . . a new partnership between government and industry to train and hire the hard-core unemployed." 5/ The only specific charter he placed on the NAB was to "Help put 500,000 hard-core unemployed into productive business and industrial jobs in the next three years." 6/ The detailed methods of providing the help requested were left to the National Alliance of Businessmen.

The immediate congressional action required by announcement of NAB-JOBS was minimal. The President asked only for the prompt approval of $244 million in funds to carry out the enlarged program JOBS represented for fiscal 1969. Start-up funds were made available under a provision of the Manpower Development and Training Act, allowing for a redistribution of the apportionments to the several states after the first six months of the year if the funds had not been obligated and if the Secretary of Labor decided the national interest required the redirection. Funds from the Economic Opportunities Act were similarly obtained.

The JOBS program indicated clearly that subsidized on-the-job training had become the method of choice for federal manpower efforts during the second half of the 1960's. There was considerable resistance to this trend from two sources: the proponents of vocational education, and the advocates of total environmental change for the rehabilitation of the hard-core unemployed. The latter saw the Job Corps as their chosen instrument and, with some justification, correlated its decline with the rise of JOBS.

The advocates of vocational education as the method of providing the disadvantaged with channels to work focused on the use of MDTA resources for institutional training. But the problems inherent in correlating the occupational needs of the labor market with available curricula and in developing jobs for trainees, added to the apparent cost disadvantages of classroom training, weighed in favor of the shift to on-the-job training (OJT).

Programs which preceded JOBS were started in Chicago, Detroit, and New York--cities that either had been rocked or had become highly sensitized by civil disturbances in their poverty districts shortly before the business communities decided to take a hand. Between 1966 and 1968, each of these major cities developed responsive organizations with the involvement of private employers to provide jobs for frustrated ghetto residents.

At the time the unrest in these poverty areas was breaking into open violence, the MDTA institutional and OJT programs were being restructured from training for industrial skill shortages into training for a route out of poverty. In the face of complaints from ghetto leaders that these programs were not reaching the hard-to-employ, government manpower planners sought more direct ways to involve employers in finding and training the disadvantaged.

As a result, in July, 1967, the Labor Department obligated $14 million through contracts with six training subsidiaries of private firms and one school system to provide training and placement assistance for disadvantaged workers in ten cities. The employment was to be within their own or other closely linked organizations.

> Experience with this early attempt to achieve more direct involvement on the part of private industry, sometimes called MA-1, 7/ resulted in two important findings: (1) the successful preparation and on-the-job training for the average of $750 per trainee under the MDTA-OJT activities and (2) better performance was experienced in training enrollees who were guaranteed a job at the end of the program. 8/

Next, "The President's Test Program" was announced in October of 1967 as a "pilot program to ally the forces of government with those of private industry in a joint attack on hard-core unemployment." 9/ It was designed to encourage businessmen to establish plants and businesses in or near ghetto areas in five cities. They had to commit themselves to employ the disadvantaged and/or provide managerial assistance to small businesses employing slum residents. Among other reasons, the five cities (Boston, Chicago, Los Angeles, San Antonio, and Washington, D.C.) were selected because each of them had functioning Concentrated Employment Programs (CEP).

The President's Test Program was a $40 million job-development effort, intended to be a joint undertaking of several federal agencies--the Departments of Labor, Commerce, Defense, the Small Business Administration, and the General Services Administration--operating out of a single office in the Department of Commerce. The program was well received by businessmen; some 160 companies expressed interest in being involved. It was probably this demonstration of the willingness of the private businessmen of five cities to get into job development for hard-core unemployed that sparked the formula for participation that became JOBS.

The JOBS program has gone through a number of changes since it was announced early in 1968. It has been developed and implemented by a series of individual manpower assistance contract guidelines, officially designated MA-3 through MA-6. The organization which is the most likely choice for the label of "Pattern for NAB" is Plans for Progress (PfP).

In 1961, President Kennedy issued Executive Order 10925 establishing the President's Committee on Equal Employment Opportunity (PCEEO) and returned to that group the investigative procedures and enforcement powers to combat employment discrimination within federal government agencies and in companies holding government contracts. The delegated powers had been in separate agencies under the previous executive order. Vice-President Lyndon B. Johnson became the first chairman of this committee.

Also in 1961, Lockheed Aircraft Corporation responded to events at their Georgia plant by developing a plan to remove all traces of separate treatment of racial groups. It was called Lockheed's Plan for Progress.

Other major aerospace and defense contractors recognized the growing leadership role which they were being urged to take in providing equal access to jobs created by public purchases. In 1961, approximately ten of the largest defense contractors established Plans for Progress nationally as a cooperative adjunct to the President's Committee on Equal Employment Opportunity, the coordinating federal agency for efforts of this nature.

By January, 1968, when President Johnson announced NAB's formation, PfP had been operating for about seven years as the vehicle by which private employers registered their cooperation in the government's program of equal opportunity employment. Some, such as Herbert Hill of the National Association for the Advancement of Colored People, regarded an employer's ". . . signing of a 'Plan for Progress' as a way of securing

immunity from real compliance with the anti-discrimination provision of the government contract." [10/] But such a "bridging" organization satisfied both the need of the business community to preserve the illusion of independence from government and the need of government for a flexible and influential business entry point for OJT manpower programs. The design of NAB seems to be patterned after the structure of Plans for Progress.

Henry Ford II was named the first National Chairman of the National Alliance of Businessmen. He and Leo C. Bebee, a Ford Motor Company vice president, probably had been given several months prior to the President's announcement to lay the groundwork for the organizations which were created in fiscal year 1969. Fifty of the largest metropolitan areas were selected for the initial efforts, and concentration within them was upon the largest companies.

The method of organizing the metropolitan efforts involved finding a top business leader in the area who would accept the responsibility of Metro Chairman, and then giving him a free hand to organize and operate the local effort. The accumulated experience of the voluntary efforts of this first year were integrated by the national office and used as guidelines for the subsequent follow-on and expansion programs, thus resulting in a growing trend toward uniformity.

In the first four years of its life, NAB expanded from 50 to 160 offices to provide coverage for the entire United States. The voluntary nature has been retained by keeping the policy and executive positions both in the national and local offices in the hands of business leaders who serve "on loan" from their own organizations for a single fiscal year. The businessmen "solicitors" who are promoting the JOBS programs at the operating levels are also loaned by their employers, though usually for periods considerably less than a year--three months is typical.

The voluntary flavor of the NAB operations seems to have permeated the JOBS program which it promotes. The initiating announcements of JOBS indicated that it would be an entirely subsidized, contractually regulated, on-the-job training program. However, the enlisting of business participation through nonsubsidized, voluntary-compliance pledging is one of the major program activities in most of the NAB Metro offices. In the Los Angeles office, during the period of the study on which these observations are based, the voluntary-compliance pledging program involved more effort than was invested in presenting and explaining the information regarding subsidized contracts.

The Los Angeles NAB Metro

This writer was directly involved in the activities of the Los Angeles NAB metro office from July, 1970, until June, 1971. He was a participant-researcher in the work of this local unit for more than a year, a period which saw one complete change of the top businessmen leaders--the Metro Chairman and the Pledge Chairman--and which also encompassed several groups of loaned businessmen-solicitors. The product of this experience is a study which does not support the view that NAB is changing business attitudes in ways that will produce a growing response from employers in the alleviation of problems of the disadvantaged.[11]

The findings of this study indicate the following:

1. The quality, as measured by age and organizational status, of the men loaned to NAB as solicitors tends to be decreasing. Over a two-year period--July, 1969, to June, 1971--a detailed analysis of age and status of fifty-six solicitors indicated that the percentage of high-level men in the prime working years diminished. There was a corresponding increase in the percentage of solicitors at or near the retirement level of their working

careers. The latter group does not find opportunity to bring new values into the policies of their employers. Young men, who tended toward neutrality in their attitude about the NAB experience, made up about one-fifth of the group.

2. More than 90 percent of the businessmen loaned to the Los Angeles NAB during fiscal years 1970 and 1971 were used in the "freebies" program, a program under which businessmen are solicited to sign a "good faith" pledge to select and hire persons who meet the "disadvantaged" criteria. These 90 percent--the NAB solicitors--had little or no involvement in the presentation of JOBS contracts, although that activity was officially considered a part of their concern.

3. To provide motivation and intrinsic rewards for the loaned businessman-solicitors, the Los Angeles NAB emphasized quantity, such as the number of JOBS pledges obtained and the number of pledging companies. There was little if any attempt to measure the growth potential to a disadvantaged person of the jobs pledged.

4. Nearly 58 percent of the 6,001 job slots for which businessmen-solicitors loaned to Los Angeles NAB obtained "good faith" JOBS pledges were classified as secondary labor-market jobs.[12/]

5. When a sample of 20 Los Angeles NAB solicitors were asked to appraise which of 637 employers, from whom they had obtained "good faith" pledges, had a high probability of changing employment practices regarding the hiring of disadvantaged persons, they indicated less than 10 percent would fit the category. The bulk of the work they had done was with employers they did not consider likely to change as a result of the NAB effort.

6. Few Los Angeles employers who have accepted subsidized JOBS programs under the Manpower Assistance (MA) contracts had previously participated in

the "good faith" JOBS pledging program. Employers involved in all MA contracts (246), negotiated at least a year after NAB-JOBS was launched, were checked. While these employers did have one to two years to become involved in the pledging program, only 22 (8.9 percent) had such prior experience. The NAB-JOBS pledging program does not emerge as a major channel of influence toward the more disciplined involvement with disadvantaged persons, represented by the MA contracts.

7. The channels of influence bringing employers to a contract commitment stand out in a random sampling of Los Angeles MA contracts. They are: supportive services subcontractors,[13/] the top NAB staff people, and the advertising program. The contribution of the supportive services firms is produced in the face of neutral, if not negative, treatment by NAB representatives.

8. The consortium form of contract produced over 35 percent of the total of 11,972 MA contract job slots developed under Los Angeles NAB through August, 1971. In terms of number of contracts the consortium form makes up only 7.7 percent of the total. Thus efforts invested by the Los Angeles NAB in developing consortium contracts appear to yield a substantially higher return in job slots than efforts to develop single company contracts. Consortium contract efforts appear as an underdeveloped area.

If the Los Angeles NAB operations are reasonably typical, they suggest that consideration by NAB nationally of the width of the gap between rhetoric and the reality of accomplishments has been carefully avoided.

> During the last three years, the National Alliance of Businessmen has grown from a brave but tentative idea to a strong and dedicated organization, with over 160 metro offices and programs in every state. More than 20,000 companies have joined; these companies have hired more than 720,000 disadvantaged workers and have provided thousands of loaned executives for the NAB's offices.
>
> Largely because of the hire-first principle, this venture into a cooperative government-business-labor partnership has been

> highly successful, with the average earnings of trainees rising dramatically. The success of this partnership is an indisputable testimonial to the effectiveness of the American business system and demonstrates its tremendous potency when its abilities are brought to bear on a problem. 14/

These are the glowing words of the two top executives of Alcoa who guided the NAB through its third year. A piece of the reality behind these words, however, suggests that at least one-third of these 720,000 disadvantaged hires counted by the NAB did not change in any useful way the condition of these working poor. They are still going to work for employers that provide low wages, poor working conditions, frequent layoffs, and little opportunity for advancement. These employees and these jobs just happened to fit the NAB criteria for "good faith" JOBS pledges; the "good faith" was warped a bit.

Another piece of the reality suggests that a good many of the "thousands of loaned executives" neither represented a significant response by their employers or were potential change agents within their organizations.

This is not meant to question the potential worth of the partnership program that NAB-JOBS can be and, to some degree, is. There are numerous examples of firms that have established sound programs, giving discouraged persons new hope and self-respect. The uniqueness of the JOBS idea, "hire-first," is the important element in providing the hopeless person with the instant change that can start the rebuilding process.

In view of the potential of the NAB-JOBS idea, it is unfortunate that it has become diluted and clouded by the "good faith" pledging program. The need for numbers to measure accomplishment may be great, but they need to be sound numbers if they are not to erode the believability of their source. The NAB-JOBS partnership of government and business (labor is another story) may still have potential, but not through the current approaches to the measurement of achievement.

The Study and Methods Used

The study which forms the basis for these comments is an evaluation of the program of the Los Angeles Metro of the NAB. It defines the content and the operation of the subprograms and considers their effectiveness toward the achievement of the local NAB objective.

In general terms, this objective is to influence private-sector employers to change employment practices to include disadvantaged persons who would have been rejected for employment if the employer had not been exposed to the local NAB program. This is the dependent variable of the local NAB system which was evaluated in the study.[15/]

For the purposes of the study, the objective is considered to have been achieved when the employer accepts a contract with the Manpower Administration (JOBS/MA Contract) to hire and train a specified number of disadvantaged persons. It is significant that when this occurs, the employer has ceded to an agency over which he has no direct control a degree of dominance over the qualifications of persons he will employ. Specifically he has agreed to accept a reasonable percentage of the disadvantaged persons referred to him by the manpower specialists in the state employment service or by their counterparts in a Concentrated Employment Program (CEP).

The independent variable is the confrontation of firms or groups of firms with the program of the Los Angeles NAB Metro.[16/] The program is made up of three major subprograms which are considered, by NAB spokesmen, to be articulated and related to one another as well as to the objective. The subprogram which is closest to the objective concerns the NAB groups directly involved in pre-contract activities: the Manpower Assistance Contract Subprogram (MACSP). Included are the professionals

on assignment to NAB from the California Department of Human Resources Development and the man assigned to the specialized work on consortium contracts.

The loaned executives who function in the voluntary pledging subprogram are not excluded. However, the principal training provided these executives relates to a subprogram aimed at the goal of establishing a voluntary relationship with employers. This subgoal is reached when an employer signs a "good faith" pledge to hire a number of disadvantaged persons over the period of one year. In this second subprogram, the employer does not relinquish any of his control over the employment process. He may "self-certify" his compliance with the criteria established to define the hires as disadvantaged, and this is called the Voluntary Participation Subprogram (VPSP).

As mentioned above, the activities of the loaned executives in the Voluntary Participation Subprogram include explaining the MA contracts. They are instructed to mention contract programs to firms they contact, but their major effort is not concentrated on this prime NAB objective. Solicitors are prepared to concentrate on the subprogram which produces pledges of voluntary participation in JOBS.

The rationale for the Voluntary Participation Subprogram includes these assumptions:

1. Involvement in a voluntary program to hire and train the hard-core unemployed tends to direct the employer's attention to the magnitude of this problem and consequently to motivate him to explore his responsibility for further involvement. This may lead to the acceptance of the content and constraints of the MA contract as the most practical means to translate these newly acquired concerns into action.

2. A business executive is more likely to respond to an appeal, directing his attention to a social problem, and to consider a change in his organizational behavior if the request comes to him from another businessman.
3. It is impractical to train loaned executives, who will spend less than three months on first absorbing information and then explaining to others the content of a complex social-change system, also to absorb and present the details of a contract proposal.

These assumptions provide a base for what may be termed the major part of the NAB Metro Program.

During the study, the Voluntary Participation Subprogram at Los Angeles utilized a larger number of man-hours than either the MA Contract Subprogram or the administrative clerical staff. It was the most visible part of the Metro's activities because of the large number of different men who moved through it during the year. The JOBS pledges solicited by the VPSP group generated about two-thirds of the numbers used by the NAB national management information system to compare the activities of various Metros. The major portion of the numbers released to the general public about the performance of the National Alliance of Businessmen refers to jobs for disadvantaged generated from the activities of the loaned executives' VPSP in the 200 Metro offices across the nation.

Figure 1 assembles the elements of the independent-dependent variable system of the Los Angeles NAB Metro which have been discussed to this point. The independent variable is made up of the parts of the NAB Program: MA Contract Subprogram, and the Voluntary Participation Subprogram. The dependent variable, the objective, is to increase the movement of private-

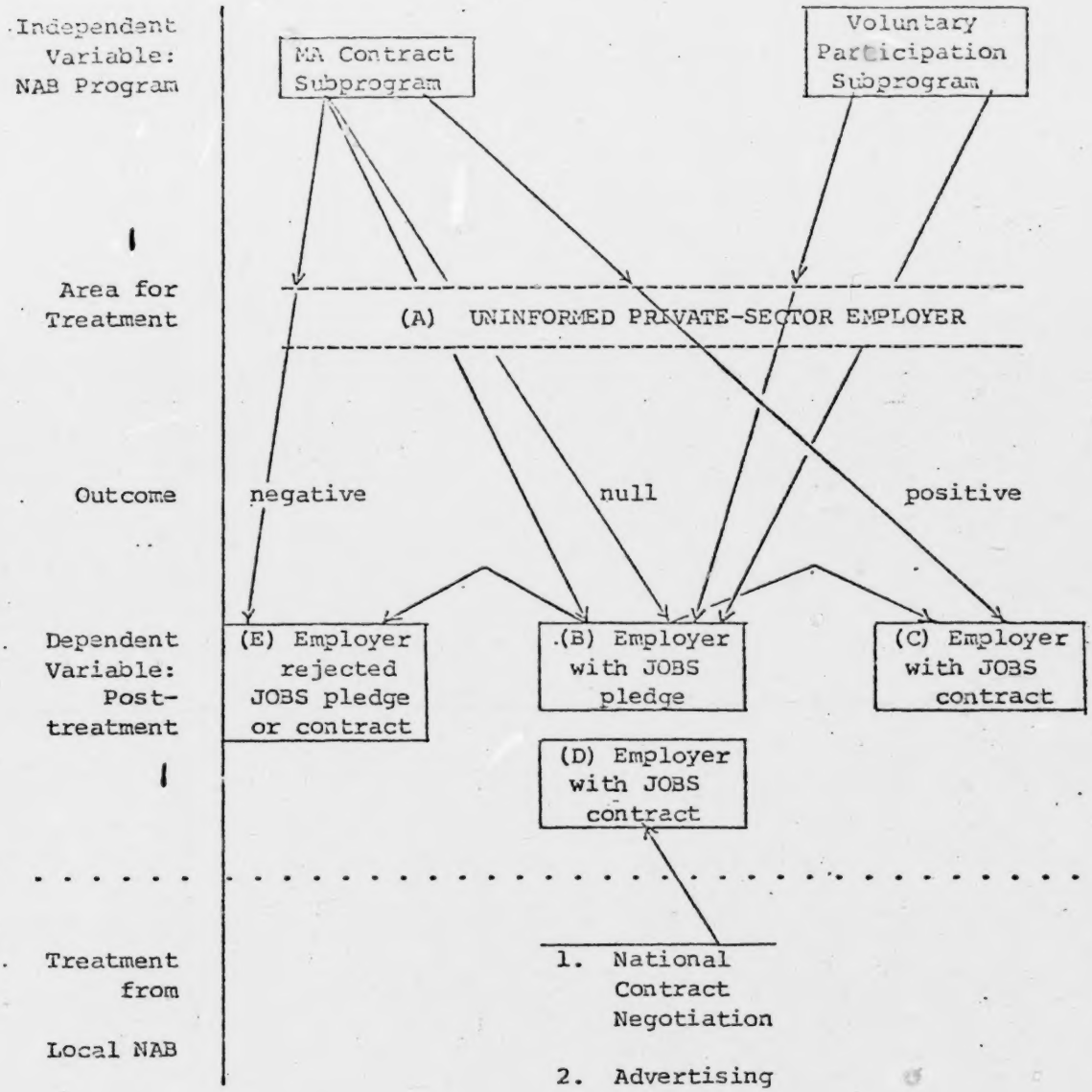

Figure 1 The Independent-Dependent Variable System of the Los Angeles National Alliance of Businessmen.

sector employers toward participation in JOBS contracts as a result of the NAB Metro efforts. The diagram shows as the area of impact, the private-sector employer (A) who is uninformed about the National Alliance of Businessmen and the JOBS program. This is an employer who has not considered deliberately seeking out hard-to-employ labor; he may become aware of these matters by a contact from the VPSP or the MACSP or from some source outside the NAB Metro. He may be moved to (B) then, and subsequently, with inputs from MACSP, moved on to (C). This would be the positive outcome of the dependent variable. The employer (A) might also have moved directly to the MA Contract (C). This, too, is a positive outcome. If the employer (A) moved to (E), the impact of the independent variable would have to be classified as negative. Employers who come to (D) would be classified as null with relation to the program of the NAB Metro, as would employers who remain at (B).

Participative Observation at the Los Angeles NAB

The study, the background for these observations, was designed to provide information about the impact of NAB upon the environment it was created to influence. It is based upon data gathered by the writer from January 1970 through August 1971 and, as said before, it includes over a year of personal participation in the Los Angeles Metro as a "Volunteer Businessman NAB Solicitor."[17] His role as doctoral candidate to conduct evaluative research was understood by all. Full disclosure to all persons with whom he worked was provided by both the NAB staff and the writer himself.

His efforts directed to NAB interest included activity in soliciting and obtaining numbers of voluntary participation JOBS pledges, development of JOBS consortium contracts, NAB solicitor orientation and training

programs, as well as NAB staff meetings and NAB executive programs to recruit solicitors. These activities also produced substantial data for his research efforts.

In addition to the data provided by participative involvement, the writer developed and applied a number of techniques directed toward the purposes of his study. He conducted terminal interviews with twenty of the businessmen solicitors; he surveyed the staff executives on the objectives of the NAB Metro and the characteristics of loaned executives over a two-year period; selected and conducted structured case studies with firms holding MA contracts; interviewed the labor representative to the Los Angeles-NAB Advisory Board; and ran a study of channels of influence on MA contract holders through a random sampling of the files.

The outcome of this detailed observation of the system of a major NAB Metro provided the means to evaluate the degree to which objectives are being met.

Objectives of the NAB Metro

The model of the NAB Metro proposed that goal achievement (the dependent variable) be measured in relation to the application of the NAB program (the independent variable). An operational definition of the goal was required.

The public utterances of President Johnson and other prominent persons associated with the Alliance were studied. Such statements define the objectives in breadth:

> Our objective, in partnership with the business community, is to restore the jobless to useful lives through productive work. 18/

The President left the definition of guidelines for this groundbreaking manpower program to his administrative staff and to the NAB.

However, he made it clear that in the achievement of the employment and training of jobless people, businessmen could expect to incur extra costs" . . . it is appropriate that the Government pay the extra costs as part of the national manpower program." The President's goal specification implies that changes were expected in employer behavior.[19]

This vital element of such change gained in recognition. In the Second Annual Report of the National Alliance of Businessmen, the Chairman, Lynn A. Townsend, and the President, Byron J. Nichols, together state that "We have succeeded in influencing substantially greater numbers of American Businessmen to hire people they would not previously have considered qualified and to provide the training that will enable them to move ahead to better jobs in the future."[20] By calling this an accomplishment they imply it as an objective.

Public goals statements were merely the point of departure in establishing measureable objectives for evaluative study of systems such as a NAB Metro. The next step involved defining a set of eight credible goals in the form of a questionnaire and the gathering of responses from the local leaders of the Los Angeles NAB.

The ratings given by the respondents to three of the statements support the position that the major objective of this NAB program is to produce changes in the behavior of employers which will result in the hiring of disadvantaged persons whom they would not previously have hired.

The three statements ranked highest are;

"An objective of the Los Angeles Metro office of the National Alliance of Businessmen is:

1. . . . to obtain job openings in local firms for persons who would not otherwise get jobs.

8. . . . to get the private employer in this area to begin to hire persons that he is now rejecting.

6. . . . to get the private employer to change his employment standards for entry level jobs."

The order given is the order in which the statements were ranked. Number 1 was given the highest level of importance by all six respondents for an average rank of 1.00. Number 8 had an average rank of 2.17 and number 6 an average rank of 2.67. 21/

By what means can it be determined that employers have changed? The employer who signs a pledge that he will voluntarily participate in the JOBS program and agrees that, next year, he will hire and train disadvantaged persons may do the task as thoroughly and effectively as the employer who signs an MA contract to do the same for reimbursement. But there is reason to believe that the full recognition of the magnitude of the task of hiring and training seriously disadvantaged persons is not likely to be obtained until the organization actually engages in the effort over a period of time. Since the employer with a JOBS pledge certifies to his own compliance, it is not difficult to compromise his standards for achievement. But if he has entered into an MA contract, the difficulties are greater. Under a contractual relationship with the Department of Labor, reconsideration involves bilateral control over a set of problems, and the potential for persistence towards the NAB objective is greater. 22/ This objective is: sufficient modification of employment behavior to produce the required adaptation.

A number of other studies were reviewed which measure some element of the impact of JOBS (MA) contract experience on employer practices toward the hard-to-employ. 23/ They provided support for the observation that involvement in the MA contract is measurable evidence that the NAB objective has been achieved.

The measurement of that objective was therefore established to be based on the entry or nonentry into MA contracts of employers who had been subjected to experience with the program of the Los Angeles NAB Metro. The goal of the Metro is the development of the maximum number of contracts over a given period.

The Voluntary Participation Subprogram of the NAB

The activities of the Los Angeles NAB can be usefully considered under two major subprograms: one, the noncontract JOBS pledging subprogram referred to as the Voluntary Participation Subprogram (VPSP); the other, the Manpower Assistance Contract Subprogram (MACSP). The two subprograms are assumed to be interconnected. The NAB views the VPSP as the leading edge of a change experience for business managers in the nation. It is considered to be a beginning experience which will lead a substantial number of them to more effective participation with disadvantaged and unemployed persons using the subsidy offered by the MACSP.

The writer's study does not support the NAB view of an interconnection.

In the evaluation of this NAB subprogram a number of elements were considered: First was a study of the industries which were providing support to this subprogram through the loan of employees. Second was a classification of the age and employment status of these loaned businessmen. Third, the responses to the NAB experience of the three generalized types of solicitors were determined. Fourth, the influence of unionization in the VPSP was developed. Fifth, and finally, the nature of the jobs pledged under the Voluntary Participation Subprogram was measured and classified.

Table 2 shows that for fiscal years 1970 and 1971, the financial industries and aerospace-defense firms provided 76 percent of the manpower

Table 2

Industrial Sources of Manpower for Voluntary Participation Subprogram
Los Angeles-National Alliance of Businessmen

Industrial Classification	Loaned Man-Wks. F.Y. 1970	Percent of Total	Loaned Man-Wks. F.Y. 1970	Percent of Total	F.Y. 1970 1971 Combined	Percent of Total
Commercial banks	80	24.1	182[b]	44.5	262	35.3
Insurance	41	12.4	61	14.9	102	13.8
Savings and Loan	8	2.4	6	1.5	14	1.9
Aerospace-Defense	105[a]	31.6	80[c]	19.5	185	25.0
Petroleum	39	11.8	15	3.7	54	7.3
Utilities	33	9.9	43	10.5	76	10.3
Merchandising	13	3.9	9	2.2	22	3.0
Primary metals	--	----	13	3.2	13	1.7
Transportation	13	3.9	--	----	13	1.7
Totals	332	100.0	409	100.0	741	100.0

[a]Includes: Pledge Chairman furnished 52 weeks. Metro Chairman from Aerospace-Defense, not included.

[b]Includes: Pledge Chairman 52 weeks, Assistant Pledge Chairman 15 weeks. The Metro Chairman and the Consortium Manager (52 weeks @ 3/5 time = 30 man weeks) from this classification, are not included.

[c]Includes: Assistant Pledge Chairman 16 weeks.

operating the VPSP. The sharp reduction in aerospace-defense participation from 31.6 to 19.5 percent between the two years probably reflects the economic decline felt by this industry at that time. The Los Angeles NAB leadership for fiscal 1972 was furnished by the petroleum industry. This will probably reflect an increase in the level of support from that industry. In the second year, businesses loaning employees to the Los Angeles NAB tended to use more marginally attached men, that is, men who were at or near retirement or those who were newly employed by their firms.

Table 3 shows the age and employment characteristics of the 56 solicitors who served in the VPSP program during fiscal years 1970 and 1971. This information came from the Metro Pledge Chairman.

Table 3

Characteristics of NAB Solicitors, Los Angeles, Fiscal Years 1970-1971

Characteristics		1970	%	1971	%
Age	30-60	18	72.0	18	58.1
	< 30	5	20.0	7	22.6
	> 60	2	8.0	6	19.3
Position in Company	Top	--	--	8	25.8
	Middle	16	64.0	13	41.9
	Low	9	36.0	10	32.3
Service Status with Company	Seasoned	18	72.0	18	58.0
	Near Retire.	3	12.0	2	6.4
	New	3	12.0	5	16.1
	Retired	1	4.0	5	16.1
	Special*	--	--	1	3.2
Total Number of Solicitors		25		31	

*Solicitor as private consultant was retained to fulfill NAB obligation.

The characteristics of the solicitors were generalized into three categories, and interviews were conducted with 20 men distributed in these categories to determine their response to the NAB experience. It has been suggested by other commentators on the NAB program that one of its most important benefits may be its experiential impact on the participants.

The first type of solicitor is the young man, under age 30. He is a relatively new man in the organization that loans him to NAB, frequently a management trainee. He is usually a college graduate. It is unlikely that he has any prior knowledge of NAB.

The young solicitor recognizes unfavorable as well as favorable aspects in being singled out by his employer to serve with NAB for several months (usually three). He views as unfavorable being taken out of his career mainstream for this period, but he recognizes that his NAB activities will attract the attention of the top executives in his own firm; these men were the NAB contacts who agreed to loan his services. He generally accepts the concepts of the VPSP without question and works to produce the results that are rewarded: quantities of JOBS pledges. By the end of his service he has developed greater understanding of the social processes of poverty and unemployment. He frequently begins to question the usefulness of much of his NAB efforts at alleviating these problems.

The second type of solicitor is the man at the opposite end of his career ladder. He has either been called out of retirement and provided with a consultant's fee to perform the NAB service, or he is in the transitional period that may come before retirement. He has usually held an upper management position, and has economic resources that free him from concern for personal income. He was probably unaware of the existence of NAB before he was asked to join its ranks as a solicitor.

The business life of the older solicitor has not prepared him to understand the objectives which the JOBS program is meant to serve. He tends to believe in private business as the best source of jobs and the formula that there is a right combination of economic growth, educational preparation of labor market entrants, and motivation for work which contains the means to resolve unemployment. He is not, at first, in sympathy with a program such as the MA contract, which involves the monitoring of an employer's business by representatives of the government. Yet he comes to question the degree to which small and medium sized businessmen will modify their exclusionary employment practices under a voluntary JOBS pledge with self-certification. His ideas regarding the characteristics of the poor and of ethnic minorities come under attack a number of times during his service with NAB, and some adjustment is noted.

One of the older solicitors made the following observations to the writer at the end of his service with NAB.

> This has been an important experience for me in many ways. I have had a number of eye openers. But what good is it going to do? If I were not retired and were going back to my office, you can bet I would be really working on getting some certified disadvantaged persons in there.
>
> Oh! I sold them a pledge, but I don't know whether it will change things there much. The company really would have been better off to put an active manager into NAB instead of getting me out of retirement. But I'm glad they did.

The third type of solicitor falls in between the previous two categories. He is usually well-established in his organization, frequently in a middle-status staff position. Typically, he feels uneasy about being removed from the daily affairs of his organization for a period as long as three months. He is concerned that he may lose touch or may miss opportunities to enhance his career. He will often have some prior knowledge of the NAB-JOBS Program.

There is somewhat more variance in the impact of the NAB experience upon this third type of solicitor than on the others. Frequently the demands on these operating executives in their own firms interfere, and their involvement with NAB is minimal. Those who could devote more effort to the solicitor's tasks tended also to be more critical of the achievement of quantities of JOBS pledges at the expense of quality. They tended to be the solicitors who produced leads for MA contracts.

The influence of unionization on the VPSP was noted as the fourth element considered. The status of organized labor in the employer's plant had an important influence on the VPSP. If an employer indicated to a NAB solicitor that he dealt with union representatives and that it was his practice to notify them when he needed entry-level employees, the NAB did not have a procedure to involve the union in the recruitment of disadvantaged persons for this employer. Thus many employers with collective bargaining units were, in effect, removed from the orbit of the VPSP.

It became apparent that the absence of a link between the Los Angeles NAB and the unions may be placing a number of employers offering relatively high quality jobs outside the influence of the NAB Voluntary Participation Subprogram. Although a mechanism to establish a relationship with organized labor in the Los Angeles area was built into the Metro structure, it had not been developed. The Metro organization does have a labor liaison representative to the NAB Program, and the writer interviewed the man who nominally held this position. He is the Representative of the Human Resources Development Institute of the AFL-CIO for the Los Angeles area. He commented that he was resigned to what he considered an unfriendly attitude toward labor on the part of the leadership of this NAB Metro. As pointed out above, this breakdown in communication resulted in excluding many employers with jobs of relatively high quality from becoming involved with the VPSP.

The final aspect of the elements of the VPSP concerns the nature of the pledges obtained. In the process of securing JOBS pledges the NAB solicitors gathered much information about the nature of the pledging firms and the quality of the jobs offered. This information was accumulated as the solicitors tested the ideology of NAB against the reality of their activities. Interviews with the solicitors, as they completed their periods of NAB service, considered each individual firm from which they obtained a pledge and measured the quality of the jobs obtained. The results are summarized in Table 4.[24/]

The data relating to the quality of the jobs produced by the majority (64.5 percent) of the solicitors involved with this NAB Metro in fiscal 1971 show that only slightly more than one-third of the job slots pledged were found to be in the primary labor market--the kind of jobs which might be eligible for JOBS contracts if the employer were interested. More than half the jobs pledged are considered to be in the secondary labor market--low wages, seasonal or high turnover, poor working conditions, little or no security or protection from unfair or arbitrary work rules. These are the jobs occupied by the working poor--the underemployed--most of which would not be eligible for subsidy under the MA contract guidelines.

The study of the Voluntary Participation Subprogram of the Los Angeles NAB evaluated the effectiveness of changing employer hiring behavior toward the disadvantaged. It was not found that Voluntary Participation brought change of any consequence, nor that it is likely to link an employer to this NAB Metro objective of maximized acceptance of the MA contract.

The Manpower Assistance Contract Subprogram of NAB

The dual subprograms of the Los Angeles Metro of the National Alliance of Businessmen are considered, by the local leadership, to be linked together.

Table 4

Data from Los Angeles NAB Solicitors on the Quality of the Jobs Pledged (Fiscal Year 1971)

I.	Solicitors, number supplying data	20
	Solicitors, total active 7-1-70 to 6-30-71	31
	Percent of active solicitors in sample	64.5
II.	Companies pledging for solicitors in sample	637
	Total companies pledging fiscal year 1971	1,189
	Percent, pledging companies in sample	53.3
III.	Job slots pledging for solicitors in sample	6,001
	Total job slots pledged fiscal year 1971	11,865
	Percent, job slots in sample	50.5

IV. Labor market classification of pledging companies in sample

	No.	%
Primary	223	35.0
Secondary	352	55.3
Not classified	62	9.7
Total	637	100.0

V. Labor market classification of job slots pledged

	No.	%
Primary	2,278	38.0
Secondary	3,466	57.7
Not classified	257	4.3
Total	6,001	100.0

VI. Solicitor's classification to probability of pledging company's change in employment behavior

	Job Slots		Companies	
	No.	%	No.	%
High change probability	1,053	17.5	61	9.6
Low change probability	4,096	68.3	429	67.3
Not classified	852	14.2	147	23.1
Total	6,001	100.0	637	100.0

They are the foundation of the total NAB Metro program and are designed to bring about detectable growth in the willingness of the business community to modify employment practices relating to the hard-to-employ.

In studying the quality of the unsubsidized jobs pledged to NAB solicitors, it was determined that about one-third have potential to meet the minimum standards required for the JOBS contract. Most of the remainder were jobs of low quality in the secondary labor market. This fact alone significantly limits the degree of interconnection the subprograms can achieve.

Investigation then focused upon the Manpower Assistance Contract Subprogram (MACSP) to establish the channels by which employers were influenced to assume the contract relationship.

A study was made of all of the MA-5 and MA-6 series contracts under the jurisdiction of the Los Angeles Metro to determine the proportion of companies which had participated earlier in voluntary JOBS pledges. The study was limited to these two contract series because their starting dates provided the participating employers at least one, and as much as three, prior years of opportunity for voluntary JOBS pledging. Consortium contracts were excluded.

Table 5 summarizes the data and indicates that 22, or 8.9 percent, of these 246 contracting firms might have come into the contractual relationship through the VPSP.

A separate review of the twenty-five consortium contracts active on July 20, 1971, again disclosed the lack of a direct relationship between the voluntary pledging program and influence to enter into contracts. Five hundred and forty (540) firms providing 3,834 jobs slots participate as consortium members under these twenty-five agreements. Of these 540 Los Angeles firms, only two have been pledging employers to the NAB Voluntary Participation Subprogram.

Table 5 also shows that 211 (85.8 percent) of the 246 MA-5 and MA-6 contracts were held by companies with "No Prior Pledge" relationship to NAB. An investigation was conducted to indicate the channels of communication and influence which brought these companies into the contracts.

A sample of thirty-four separate organizations holding MA-5 or MA-6 contracts was drawn randomly. This sample, with a related questionnaire, was submitted to the Manager of Recruiting and Government Programs for NAB,[25] who reviewed it and supplied his knowledge. He also distributed the questionnaires and individual company sample data cards to Contract Service Representatives who had background knowledge of individual contracts. The resulting information is a composite of the responses of six men who have been concerned with the development of JOBS contracts for periods from between one and one-half to three and one-quarter years. Table 6 summarizes the information obtained.

For the sample selected, the group could not remember the initial information channel on eight contracts. For the balance, the supportive services organizations are given the most credit for bringing firms to the contractual relationship; 7 of these 34 contracts were initiated by such agencies. Presumably this is another testimony to the power of potential profits in focusing energy. The NAB staff is given credit for bringing 6 contract-oriented employers to the goal.[26]

This sample also indicates that the staff executives and the State DHRD men, the least temporary NAB personnel, have been responsible for developing about three times as many contracts as have the solicitors. Those 2 contracts credited to DHRD may be considered related to the performance of the Los Angeles NAB staff system, since at least six of the nine men at the Los Angeles NAB classifiable as staff are DHRD employees.

Table 5

MA-5 and 6 Contracts (Single Firm) by Prior NAB Relationship (to July 19, 1971)

	Job Slots on Contract																		Total	% of Total
	1-3		4-10		11-20		21-30		31-40		41-50		51-75		75-100		101+			
	MA 5	No.[a] 6	MA 5	No. 6	MA 5	No. 6	MA 5	No. 6	MA 5	No. 6	MA 5	No. 6	MA 5	No. 6	MA 5	No. 6	MA 5	No. 6		
No Prior Pledge--																				
Active Contracts	9	56	13	36	7	13	4	4	1	-	-	2	2	-	-	-	1	1	149	
Closed Contracts	8	27	2	17	3	1	1	-	-	1	-	1	-	-	-	1	-	-	62	
Total	17	83	15	53	10	14	5	4	1	1	-	3	2	-	-	1	1	1	211	85.8
Prior Pledge--																				
Open Contracts	-	6	2	4	-	-	1	-	-	-	-	2	1	-	-	-	1	-	17	
Closed Contracts	-	-	-	1	-	1	-	1	-	-	-	-	2	-	-	-	-	-	5	
Total	-	6	2	5	-	1	1	1	-	-	-	2	3	-	-	-	1	-	22	8.9
Special[b] Prior Relation Open and Closed Contracts	1	-	2	3	-	-	1	1	1	-	-	-	1	-	-	1	2	-	13	5.3
Total MA-5 and 6 Contracts	18	89	19	61	10	15	7	6	2	1	-	5	6	-	-	2	4	1	246	100.0

[a] MA-5 contracts were first awarded in May 1969. They have continued to be available (as of August 1971) but the MA-6 has become the more active contract form since November 15, 1969, when the first awards were made.

[b] Special prior relation includes: NAB national officer from corporation; organizations set up by participating corporations for involvement with disadvantaged (Nartrans, Lockheed-Watts); corporate involvement with NAB in an area other than Los Angeles; MA-3 contract.

Table 6

NAB Contract Holders: Initial Information Channels

	Information Channel	Number	Percent
1.	Direct mail	0	0.0
2.	Advertising in media	5	14.7
3.	Noncontract pledge	0	0.0
4.	Supportive services organization	7	20.6
5.	NAB solicitor	2	5.9
6.	Department of Human Relations Development	2	5.9
7.	Firm's management involved with NAB	0	0.0
8.	National contracts	2	5.9
9.	(a) Other--Los Angeles NAB staff[a]	6	17.6
	(b) Other--unsolicited employer contact	2	5.9
10.	No information	8	23.5
	Total	34	100.0

[a]Contacts which were made on the initiative of personnel in the Recruiting and Government Programs Office, the NAB administrative office, the Metro Director or the Pledge Chairman--that is, NAB personnel other than solicitors.

Advertising generated five of the contracts, although direct mail advertising was not identified as having paved the way for any of the contracts in the sample. Apparently there is a certain degree of social concern in America which can be tapped by a general appeal.

National contracts entered for local employers at a location other than Los Angeles accounted for two of the contracts in the sample.

Only two leads are definitely credited to solicitors, no more than the two contracts generated by employers who made unsolicited phone contact to inquire about the JOBS contract. In retrospect, it seems likely that the respondents to this questionnaire did not distinguish between item 5 and item 3: if the lead was identified to them as solicitor-oriented, it was probably accompanied by a pledge.

It is noteworthy that 6 of the 34 contracts in the sample (17.6 percent) indicated prior pledges. However, only 1 is associated by the respondents with a NAB solicitor (item 5) as the source of the contract interest. Three of the others indicate the Los Angeles NAB staff as the source; 1 is a national contract, and the origins of the others are unknown. There is no clear interpretation of this lack of association, by the respondents, of contracts with a prior pledging record to the solicitors' program. They apparently consider the NAB professional staff responsible for a substantial portion of the voluntary pledges. The six DHRD men do not become involved in voluntary pledging activities, which leads to the conclusion that the top NAB officials--Metro Chairman, Metro Director, and Pledge Chairman--are credited with the three pledges which became MA contracts.

The information gained from this random sampling of individual MA contract holders gives evidence that the important influences which lead

to these contracts were advertising, supportive services subcontractors, and the NAB leadership staff. Solicitors in the VPSP were low in influence.

Consortium contracts are a specialized form of the Manpower Assistance (MA) Contract. They involve a group of companies which have associated to participate on a pooled-efforts basis. The consortium association thus formed has a legal relationship with each of the participating companies, through a consortium agreement or other limited power of attorney, to act for the companies on matters pertaining to the contract. The consortium may provide any or all of the supportive services for the employing companies; or it may subcontract them to an organization specializing in providing such services.[27]

Table 7 indicates that the consortium form of the MA contract has become quite important to the disadvantaged unemployed in Los Angeles; more than 35 percent of the job slots developed on contracts negotiated for this area have come from consortium contracts. By comparison, the single firm contracts supplied 52.3 percent of the jobs. The balance, 12.6 percent, came from national contracts--contracts negotiated elsewhere but including employers in the Los Angeles area.

Disadvantaged persons who enter on-the-job training through a consortium-administered contract are more likely to have individual attention to their particular needs than are those who come in through individual firm contracts. In every consortium contract, a centralized administrative unit is established to plan and control the orientation, counseling, and education involved. In addition, this single unit plans the time that the trainees spend at their training on-the-job. The major portion of the 27 contracts administered in Los Angeles provide for one hundred or more job slots. Economies of such scale bring the concentration of more attention

Table 7

Comparative Importance of Single Firm, Consortium and National Contract Forms at Los Angeles NAB[a]
August 1971

	No.	%	Job Slots No.	Job Slots %
Single-firm Contracts				
MA-3: 3-'68/11-'68	33	80.5	1,315	78.8
MA-4: 9-'68/7-'69	45	81.8	1,853	43.4
MA-5: 5-'69 on	54	72.0	1,126	34.8
MA-6: 11-'69 on	172	96.8	1,980	70.5
All MA	304	87.1	6,274	52.3
Consortium Contracts				
MA-3: 3-'68/11-'68	0	0.0	0	0.0
MA-4: 9-'68/7-'68	4	7.3	1,472	34.6
MA-5: 5-'69 on	17	22.7	1,891	58.6
MA-6: 11-'69 on	6	3.2	831	29.5
All MA	27	7.7	4,194	35.1
National Contracts				
MA-3: 3-'68/11-'68	8	19.5	354	21.2
MA-4: 9-'68/7-'69	6	10.9	937	22.0
MA-5: 5-'69 on	4	5.3	213	6.6
MA-6: 11-'69 on	0	0.0	0	0.0
All MA	18	5.2	1,504	12.6
Total Contracts				
MA-3: 3-'68/11-'68	41	100.0	1,669	100.0
MA-4: 9-'68/7-'69	55	100.0	4,262	100.0
MA-5: 5-'69 on	75	100.0	3,230	100.0
MA-6: 11-'69 on	178	100.0	2,811	100.0
All MA	349	100.0	11,972	100.0

[a]These data were compiled by the Los Angeles Metro of the NAB from the files of all contracts issued to firms under the jurisdiction of this office and included contracts issued before August 1971. Individual Firm Contracts and National Contracts apply to job slots located within the boundaries of the Los Angeles territory designated for the Metro. The Consortium Contracts are those that resulted from negotiations carried on under the jurisdiction of this NAB Metro. Some of the job slots produced are in NAB Metros out of Los Angeles, but contiguous to it.

The data used have been limited to contract series which allowed for consortia to be formed. The MA construction prior to MA-4 did not have provision for this option.

to the unique problems of hiring, motivating, and training a group of disadvantaged--and probably discouraged--workers than any but the largest individual employers are likely to achieve.

There were 17 active consortium associations under the Los Angeles NAB at the time of the study. The source of the initiative which led to the generation of these contracts was, also, traced by the men of the California Department of Human Resources Development who were involved. They credit internal NAB efforts for 7, including the largest, to account for 1,557 (40.6 percent) of the job slots. Supportive service organizations are said to account for another 7 with 1,906 jobs (49.6 percent). The remaining 3 were generated by one or more of the employers involved who may have heard of the program through public relations material, news stories, or from any of the information channels. They account for 372 jobs (9.8 percent).

This evidence suggests that the consortium program, with only 7.7 percent of the contracts, developed 35.1 percent of the job slots. The other major Los Angeles Metro MACSP effort required 87.1 percent of the contracts to provide 52.3 percent of the jobs. The NAB cost for consortium contract development is more than that for the single-firm type, but the benefits--jobs produced--have much more than offset this. The consortium portion of this subprogram seems to be underdeveloped territory for the NAB.

Suggestions to Improve NAB Efficiency

These comments outline ways in which the efficiency of the NAB efforts to accomplish their objective might be improved.

A. The Voluntary Participation Subprogram.

1. There is little relationship between the efforts of the solicitors and the objectives of NAB. Therefore, experimentation

with the quality of the solicitors' experience is suggested. Investing this experience with a greater appeal to those executives who are the most influential in their organizations would enlarge the NAB potential to create "the compassionate businessman." This might be done by: (a) moving the location of the NAB offices to which these businessmen report during their term of service into one or more of the poverty neighborhoods; (b) applying an on-the-job contract to NAB Metros, under which disadvantaged persons would be brought into the VPSP and given training to team with a loaned businessman in his calls on other businessmen.

2. It is suggested that NAB experiment with developing a solicitor program which incorporates a job quality-rating system. The system would reject employers whose jobs do not meet criteria that enable their conversion to MA Contract job slots.
3. Soliciting programs are needed which utilize union leaders in the area.

B. The MA Contract Subprogram

1. It is through the efforts of supportive services firms that many companies come to MA Contracts. A system of integrating their activities with the NAB Metro programs could make a significant addition to JOBS promotion. To accomplish this, an objective method of rating the quality of service offered by individual supportive-services firms probably would be required.
2. Organizations in the nonprofit private sector are eligible for participation in JOBS contracts, but the Los Angeles NAB program does not reach them. A promotional effort incorporating

people from this sector could be established using the MA Contract to promote their own as well as NAB's objectives.

3. It is suggested that the NAB increase efforts in the promotion of consortium contracts. This facet of the NAB program provides the largest return of significant training opportunities for the efforts invested.

If a number of these suggestions evolve in the future as modifications of NAB Metro programs, they may tend to turn them from programs of volunteers into programs of professionals, from programs which depend upon the hypothetical capacities of business managers to integrate profits with altruistic twinges to programs which ferret out good opportunities to plug in the disadvantaged and help them turn on.

FOOTNOTES

1. "The Committee for Economic Development is composed of 200 leading businessmen and educators. These Trustees are generally Presidents or Board Chairmen of corporations and Presidents of universities and are chosen for their individual capacities rather than as representatives of any special interests. By working with scholars they unite business judgment and experience with scholarship in analyzing the issues and developing the economic problems that constantly arise in a dynamic and democratic society."

   The preceding statement is extracted from the following source: Research and Policy Committee of the Committee for Economic Development, Social Responsibilities of Business Corporations, A Statement on National Policy (477 Madison Ave., New York, N.Y., 10022: Committee for Economic Development, June 1971), back cover.

2. Ibid., p. 7.

3. Comptroller General of the United States. Report to the Congress: Evaluation of Results and Administration of the Job Opportunities in the Business Sector (JOBS) Program in Five Cities. Washington, D.C.: United States General Accounting Office, March 24, 1971, p. 8.

4. The Manpower Report of the President: April 1968 (Washington, D.C.: U.S. Government Printing Office, 1968), p. xiii.

5. Ibid., p. xiv.

6. Ibid., p. xv.

7. MA-1 designates the first "Manpower Assistance" contract format. There have been five additional MA Contract formats developed. MA-6 is the current form.

8. "Job Opportunities in the Business Sector (JOBS)," Manpower Information Service (Washington, D.C.: Manpower Information, Inc., the Bureau of National Affairs, 1970), MIS-RF-23, 21:1352, p. 4.

9. Manpower Report of the President: April 1968, p. 200.

10. Herbert Hill, NAACP Labor Manual (rev. ed.; New York: NAACP Special Contribution Fund, 1968), p. 30.

11. Philip H. Mounts, Business and the Hard-to-Employ: An Evaluative Study of the Objectives and Programs of a Metropolitan Office of the National Alliance of Businessmen. (Unpublished doctoral dissertation, University of California, Los Angeles, 1972.)

12. See footnote 24 for definition of "secondary labor market jobs."

13. Supportive services subcontractors are the commercial firms that may, under the MA contract guidelines, subcontract to an employer to provide the services to sustain the disadvantaged person in adapting to his new job. They are entitled to extract a profit from the MA contract for these services.

14. National Alliance of Businessmen, "Chairman and President's Message," John D. Harper, Chairman and William C. Woodward, President, Annual Report: for Fiscal Year Ending June 30, 1971 (1730 K Street, N.W., Washington, D.C., National Alliance of Businessmen, 1971), p. 2.

15. The major source of guidance in the model developed for the study is the work of Edward A. Suchman, Evaluative Research (New York, N.Y.: Russell Sage Foundation, 1967).

16. An outline of the selection and consideration of the influence of intervening variables upon the local NAB system evaluated is provided by the following table:

Table A

The Impact of Intervening Variables upon Manpower Assistance Contract Consideration

Intervening Variables	Impact on Contract Consideration		
	Favorable	Neutral	Unfavorable
A. Internal to Firm:			
Contact person--status	high		low
Union--presence	no		yes
Ownership--breadth	public	narrow	
Size--employment	>1,000	<1,000	
Attitude of leaders re social responsibility	high	stable	low
B. External to Firm:			
Labor market re poverty area	close	distant	
Primary customer	government	other	
Assets location re poverty area	close	distant	
C. External to Los Angeles NAB and client firms:			
Economic trends	expanding	stable	contracting
Political attitude re private sector manpower programs	toward	stable	away
Local leadership of NAB	continuity		change

Source: Philip H. Mounts, op. cit., p. 153.

17. Professor Melville Dalton is the principal source of insight into the methods of participative observation. The strengths as well as the shortcomings of methods of this kind of marginal researcher are set forth by him in "Preconceptions and Methods in Men Who Manage," Phillip E. Hammond (ed.), Sociologists at Work (New York: Basic Books), pp. 74-76.

18. Manpower Report of the President: April 1968, p. xiv.

19. Ibid.

20. National Alliance of Businessmen: Second Annual Report, year ending June 30, 1970 (1730 K Street, N.W., Washington, D.C., 20006: National Alliance of Businessmen, 1970), p. 2. (emphasis added)

21. Under the ranking method used, "1" represents an objective of primary importance, "2" an objective of secondary importance, etc., "10" indicated that the objective statement was considered inappropriate.

22. U.S. Congress, Senate: Subcommittee on Employment, Manpower and Poverty, Committee on Labor and Public Welfare, The JOBS Program: Background Information (Washington, D.C.: U.S. Government Printing Office, 1970), pp. 1-6, 137-139.

23. Coalition JOBS, National Alliance of Businessmen/New York Urban Coalition, The MA Contract in New York: A Report by Coalition JOBS on MA-3, MA-4, mimeographed (55 Fifth Avenue, New York, N.Y., 10003: Coalition JOBS, n.d.).

Bureau of National Affairs, Current Developments Section (/DLR/ /No. 181/, /Washington, D.C., 20037: Bureau of National Affairs, Inc./), "Full Text Section F," "Summary of Major Findings, Conclusions and Recommendations on Job Opportunities in the Business Sector (JOBS) Program: Study by Greenleigh Associates, Inc. (Official Text)" (/DLR/ /No. 181/ Washington, D.C., 20037: Bureau of National Affairs, Inc., 9-17-70).

Comptroller General. Report to the Congress. op. cit.

An evaluation was developed of the operating changes reported by JOBS contract-holding employers responding to a letter from Senator Gaylord Nelson. This evaluation indicated that 58 percent of the 59 responding firms said that the locus of the process of adaptation in employing disadvantaged was with the employer. For the source of this determination see: U.S. Congress, Senate: Subcommittee on Employment, Manpower and Poverty, Committee on Labor and Public Welfare, The JOBS Program, Background Information (Washington, D.C.: U.S. Government Printing Office, 1970), pp. 1-6, 137-139.

24. The classification of employer and jobs as "primary" or "secondary" is in relation to the "dual labor market concept" of Peter B. Doeringer and Michael J. Piore. cf. "Equal Employment Opportunity in Boston," Industrial Relations, 9, No. 3 (May 1970), 324.

> "Workers and jobs in the United States can be characterized as operating in one of the two sectors of the labor market, a primary sector and a secondary sector. The primary sector offers jobs which possess several of the following traits: high wages, good working conditions, employment stability and job security, equity and due-process in the administration of work rules, and chances for advancement. The other, or secondary sector, has jobs which, relative to those in the primary labor market, are decidedly less attractive. They tend to involve low wages, poor working conditions, considerable variability in employment, harsh and often arbitrary disciplines, and little opportunity to advance."

The distinction between "secondary employers" and "employers with some secondary jobs" needs to be made. A "secondary employer" would, for example, be the operator of a nursing home with a dependence on low-wage labor and little if any job advancement potential. An "employer with some secondary jobs" may have a majority of primary labor market jobs. For example, an aircraft assembly enterprise which also employed a labor force to do janitorial services would fall in this category.

25. This man was in charge of an Assistant Manager and four Contract Service Representatives. All of these men were employees of the California Department of Human Resources Development (DHRD) on detached assignment to the Los Angeles NAB. The Manager had more continuous service with this Metro than any other person. He started this "temporary" assignment in April, 1968.

26. It is likely that the NAB staff persons who are developing and bringing forward employers who become MA contractors are in the leading executives' positions: the Metro Chairman, Metro Director, and Pledge Chairman. These are the "movers and shakers" who have their reputations and their self-images riding on the results produced.

27. National Alliance of Businessmen, Department of Commerce and Department of Labor, JOBS '70, pp. 7-8.